

**Security Council**

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**Security Council Committee established pursuant
to resolution 1737 (2006)****Note verbale dated 6 April 2011 from the Permanent Mission
of Hungary to the United Nations addressed to the Chair of
the Committee**

The Permanent Mission of the Republic of Hungary to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to Security Council resolution 1737 (2006), and has the honour to provide the attached information pursuant to paragraph 31 of Security Council resolution 1929 (2010) on the steps taken by the Republic of Hungary with a view to implementing effectively the measures outlined in paragraphs 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24 of the resolution (see annex).

Annex to the note verbale dated 6 April 2011 from the Permanent Mission of Hungary to the United Nations addressed to the Chair of the Committee established pursuant to Security Council resolution 1737 (2006)

The implementation by the Republic of Hungary of the restrictive measures against Iran imposed by Security Council resolution 1929 (2010) is based both on measures adopted by the European Union and national measures.

1. Measures adopted by the European Union

Within the framework of the Common Foreign and Security Policy of the European Union, the United Nations Security Council resolutions are endorsed by Council Decisions and implemented through directly applicable Council Regulations binding all European Union member States. The Republic of Hungary and the other member States of the European Union have jointly implemented the restrictive measures against Iran imposed by Security Council resolution 1929 (2010) by taking the following common measures:

Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran¹

Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran provides the basis for the European Union implementation of all measures contained in resolution 1929 (2010), as well as specific European Union accompanying measures within the scope of the relevant United Nations Security Council resolutions, notably:

- Export ban on further items, in addition to those determined by the Security Council or the Committee, that could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the International Atomic Energy Agency has expressed concerns or identified as outstanding, or to other weapons of mass destruction programmes.
- Restrictions on admission and the freezing of funds and economic resources, to be decided by the Council of the European Union, applied to further persons and entities, in addition to those designated by the Security Council or the Committee, involved in proliferation-sensitive nuclear activities or in violation of the requirements of the relevant Security Council resolutions, as well as other senior members and entities of the Islamic Revolutionary Guard Corps and of the Islamic Republic of Iran Shipping Lines and its subsidiaries.
- Enhanced vigilance over the activities of financial institutions within the jurisdiction of European Union member States with banks and financial entities linked to Iran, notably through a prior authorization regime for all transactions above a certain amount.

¹ Official Journal of the European Union L 195, 27.7.2010, p. 39.

- Prohibition to open new branches and subsidiaries of Iranian banks in the European Union and the establishment of new banking relationships with Iranian banks.
- Prohibition to provide insurance and re-insurance to Iranian entities.
- Prohibition of sale, purchase and brokering of Government bonds.
- Measures in the transport sector concerning the prohibition for Iranian cargo flights to have access to European Union airports and the prohibition to provide engineering and maintenance services to Iranian cargo flights.

Council Regulation amending Council Regulation (EC) No. 423/2007 on restrictive measures against Iran

In order to fully implement the measures provided for in Council Decision 2010/413/CFSP of 26 July 2010 and falling under the competence of the European Union, the Council will shortly adopt a Council Regulation amending Council Regulation (EC) No. 423/2007.

Council implementing Regulation (EU) No. 688/2010 of 26 July 2010 implementing article 7 (2) of Council Regulation (EC) No. 423/2007 concerning restrictive measures against Iran²

Council implementing Regulation (EU) No. 688/2010 of 26 July 2010 implements article 7 (2) of Council Regulation (EC) No. 423/2007 concerning restrictive measures against Iran in order to enforce legally the freezing of funds and economic resources for the new European Union autonomous designations of person and entities.

Commission Regulation (EU) No. 532/2010 of 18 June 2010 amending Council Regulation (EU) No. 423/2007 concerning restrictive measures against Iran³

Commission Regulation (EU) No. 532/2010 amends Council Regulation (EC) No. 423/2007 by including the persons and entities designated by the Security Council on 9 June 2010 in the list of persons, entities and bodies subject to the freezing of funds and economic resources, as set out in annex IV of the Council Regulation.

Council Regulation (EC) No. 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement and its subsequent amendments⁴

Council Regulation (EC) No. 539/2001 requires nationals of Iran to be in possession of a visa when crossing the external borders of the European Union.

2. National legislation and measures taken by the Republic of Hungary

In addition to the above outlined legal instruments adopted by the European Union, the Republic of Hungary implements its obligations under resolution

² Official Journal of the European Union L 195, 27.7.2010, p. 25.

³ Official Journal of the European Union L 154, 19.6.2010, p. 5.

⁴ Official Journal of the European Union L 81, 21.3.2001, p. 1.

1929 (2010) concerning restrictive measures against Iran through its existing national legislation, legal instruments and measures taken by the Government of the Republic of Hungary.

Arms embargo and ban on brokering services and other services related to military activities

The Republic of Hungary has national legislation requiring an export licence for any supply, sale, transfer, transit or export of arms and any related material to third countries, as well as for the provision of brokering services and other services related to military activities, which together with Council Decision 2010/413/CFSP, provides the basis for enforcement of the arms embargo against Iran and the ban on related brokering services.

Paragraph 5 on restrictions and embargos of Government Decree No. 16/2004 (II. 6) on the licensing of export, import, transfer and transit of military equipment and related technical assistance provides that the export and transit of military equipment and technical assistance is not permissible to countries which are subject to arms restrictions (such as restrictions on the supply of arms or any related materiel, the provision of any assistance, advice or training related to military activities) imposed by the United Nations Security Council, the Council of the European Union or the Organization for Security and Cooperation in Europe.

The Hungarian Trade Licensing Office is competent to conduct the said licensing procedures, as it is also responsible for the implementation of arms embargos with a nationwide capacity.

Currently no military diplomatic relations, bilateral military agreement or cooperation exist between the Ministries of Defence and Armed Forces of the Republic of Hungary and the Islamic Republic of Iran.

Travel ban

As regards restrictions on admission to the territory of the Republic of Hungary, a ban of entry into and transit through the territory of the Republic of Hungary is applicable, in accordance with the international obligations of Hungary, as set forth in paragraph 38 of Act 1 of 2007 on the entry and residence of persons having the right of free movement and residence and paragraph 43 of Act 2 of 2007 on entry and residence of citizens of third States.

The said national legal instruments, together with Council Decision 2010/413/CFSP and Council Regulation (EC) No. 539/2001, provide the legal basis for the refusal of admission and denial of requests for a visa. The competent national authority for ordering the entry bans is the Office of Immigration and Nationality.

Financial measures

The implementation of the assets freeze and financial measures set forth in resolution 1929 (2010) fall within the exclusive competence of the European Union. These measures are therefore implemented in Hungary on the basis of Council Decision 2010/413/CFSP and the Council Regulation amending Council Regulation (EC) 423/2007, as mentioned above.

The relevant European Union acts and their amendments are observed and applied by the Hungarian authorities subordinated to and supervised by the Ministry for National Economy, i.e. the Tax and Financial Control Administration and the Hungarian Customs and Finance Guard.

The European Union regulations are transposed into the Hungarian legal system by Act 180 of 2007 on the enforcement of the financial and economic restrictive measures adopted by the European Union. According to the provisions of the Act and that of other special legislation, the Hungarian Customs and Finance Guard is the competent authority responsible for applying the directly applicable legal instruments of the European Union. The Hungarian Financial Supervisory Authority provides up-to-date information to the service providers about the restrictive measures in force on its website and controls the implementation of these measures accordingly.